

State of South Dakota

SEVENTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2002

580H0122

HOUSE ENGROSSED NO. **SB 108** - 02/19/2002

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Senators Sutton (Dan), Brown (Arnold), Diedrich (Elmer), Hutmacher, McIntyre, Reedy, and Symens and Representatives Garnos, Bartling, Pitts, Slaughter, and Teupel

1 FOR AN ACT ENTITLED, An Act to require the acceptance of certain uniform life insurance
2 and annuity request forms and to revise certain provisions regarding the required disclosure
3 provisions in health insurance policies.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That chapter 58-15 be amended by adding thereto a NEW SECTION to read as
6 follows:

7 If a policyholder has made a request to cash surrender, to obtain maximum policy loans, or
8 to make an Internal Revenue Code Section 1035 exchange under a life insurance or an annuity
9 policy, the insurer shall forward to the policyholder or the policyholder's insurance producer,
10 within thirty calendar days of receiving the request for the form, any required form to accomplish
11 such transaction. If the insurer does not do so, the policyholder may utilize a uniform life
12 insurance or annuity form for such purpose. The director shall adopt the uniform life insurance
13 and annuity forms by rules promulgated pursuant to chapter 1-26. If the insurer has failed to
14 submit its form to the policyholder or the policyholder's insurance producer within the time



1 period required by this section, the insurer shall accept the uniform form as adopted by the
2 director and may not require the use of any additional form.

3 Section 2. That § 58-17-14 be amended to read as follows:

4 58-17-14. There shall be a provision as follows: "Entire contract; changes: This policy,
5 including the endorsements and the attached papers, if any, constitutes the entire contract of
6 insurance. No change in this policy is valid until approved by an executive officer of the
7 insurance company and unless such approval is endorsed or attached to this policy. No insurance
8 producer has authority to change this policy or to waive any of its provisions. Any rider,
9 endorsement, or application ~~which modifies, limits, or excludes coverage under this policy must~~
10 ~~be signed by you, the insured, to be valid.~~" This provision applies to any rider, endorsement, or
11 ~~amendment of an application whether attached at the time of the application or after~~ added to
12 a policy after the date of issue or at reinstatement or renewal which reduces or eliminates benefits
13 or coverage in the policy requires signed acceptance by the policyholder. After the date of policy
14 issue, any rider or endorsement which increases benefits or coverage with an accompanying
15 increase in premium during the policy term must be agreed to in writing signed by the insured,
16 unless the increased benefits or coverage is required by law.